

Minutes of the Teleconference of the Lottery Advisory Commission  
June 18, 2004

Attendance

A teleconference of the Lottery Advisory Commission was held at 10:00 - 10:30 a.m., on Friday, June 18, 2004. Representing the Commission were Representative RaeAnn Kelsch (Chairman), Representative Lois Delmore, Senator Jerry Klein, Ms. Darlene Watne, and Mr. Laurel Thoreson. Attorney General Wayne Stenehjem, and Mr. Chuck Keller, Ms. Eileen Walsh, and Ms. Danielle Schaefer of the ND Lottery also participated in the teleconference.

Mr. Keller discussed the June 24, 2004, launch of the Hot Lotto game. He said that after consultation with Scientific Games and discussions with Attorney General Stenehjem, the game would be launched at only one site. The M & H convenience store in Mandan was selected as the launch site for several reasons, including being ranked in the top 10 retailers based on sales. This store has been very accommodating in providing promotional items and will also be participating in a PEPSI promotion that day.

Mr. Keller pointed out several changes to the draft launch agenda, including: 1) timing of the launch; 2) participation by Lady Luck; and 3) presentations by Commissioners Kelsch and Delmore.

It was decided to launch Hot Lotto at 8:00 a.m., rather than 6:30 a.m. Lady Luck will not be participating. Only Commissioners Kelsch and Delmore would be available to participate. Mr. Keller indicated that the ND Lottery would prepare presentation scripts. Attorney General Stenehjem would send launch invitations on June 21 to all Mandan city commissioners and Bismarck-Mandan legislators.

Ms. Walsh discussed the media aspects of the launch. Press releases would include: 1) copies of the Hot Lotto play slip and game brochure; 2) comparison sheet between Powerball and Hot Lotto; 3) retailer hot spots in the state; 4) news advisory that would address the launch and serve as the medias' invitation; 5) current record-breaking Hot Lotto jackpot; and 6) anticipation that North Dakota would break all first-day sales of other state lotteries.

Ms. Walsh stated that due to the lottery's limited advertising and marketing budget, only radio and daily newspaper ads would be used to promote the launch.

Mr. Keller stated that the advertising and marketing budget was initially projected at \$330,000, or 3% of projected gross sales of \$11 million for the biennium. This projection was based on one game (Powerball) and 275 retailers. However, there are 398 retailers, up to 4 lottery games will be launched this biennium, and gross sales and net proceeds may double or triple the projection for the biennium. This activity has strained the budget and at some point the ND Lottery may need to ask the Commission and Attorney General Stenehjem for consideration to go beyond the \$330,000. Mr. Keller stated that gross sales are presently about \$5.2 million. He indicated that 300,000 Powerball game brochures,

100,000 Hot Lotto game brochures, 100,000 Wild Card 2 game brochures, and 100,000 wallet size tri-fold informational game cards have been printed to date, excluding jackpot awareness signs.

Commissioner Watne questioned whether a cost study has been done regarding the proposed Retailer Advisory Board. Mr. Keller indicated that there would be no direct cost since it would be a volunteer board.

Commissioner Thoreson made a motion to adjourn the meeting. Commissioner Delmore seconded the motion. The motion passed 5-0.